Quarterly Refunding Charts

U.S. Department of the Treasury
Office of Debt Management
April 27, 2009
FY 2009 Q3 and Q4 Outlook: Estimated marketable borrowing

- $361 billion April-June

- $515 billion July-September

- Continued weakness in receipts, increased outlays related to economic recovery programs, and declines in net state and local government series securities have led to greater marketable borrowing needs
Net marketable borrowing for the first half of FY 2009 exceeds FY 2008 record levels.

Cash outflows exceeding $70 billion on May 15 and August 15 result from interest payments and maturing 3-, 5-, and 10-year notes and called 30-year bonds.

### Table: Marketable Treasury Coupon Flows

<table>
<thead>
<tr>
<th>Date</th>
<th>Maturing Coupon Securities (Excluding SOMA holdings)</th>
<th>Coupon Payments</th>
<th>Total Outflows</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 15, 2009</td>
<td>52</td>
<td>21</td>
<td>73</td>
</tr>
<tr>
<td>May 31, 2009</td>
<td>19</td>
<td>4</td>
<td>23</td>
</tr>
<tr>
<td>June 15, 2009</td>
<td>14</td>
<td>1</td>
<td>16</td>
</tr>
<tr>
<td>June 30, 2009</td>
<td>19</td>
<td>4</td>
<td>23</td>
</tr>
<tr>
<td>July 15, 2009</td>
<td>14</td>
<td>6</td>
<td>19</td>
</tr>
<tr>
<td>July 31, 2009</td>
<td>19</td>
<td>3</td>
<td>22</td>
</tr>
<tr>
<td>August 15, 2009</td>
<td>61</td>
<td>26</td>
<td>87</td>
</tr>
<tr>
<td>August 31, 2009</td>
<td>19</td>
<td>4</td>
<td>23</td>
</tr>
</tbody>
</table>

*Note: Negative SOMA activity represents redemptions. Positive SOMA activity represents additional issuance of securities, made possible by redemptions in maturing securities with the same settlement date; these are offsetting transactions and are net cash neutral.
Volatility of cash balances continues to pose challenges.

Net marketable borrowing through the second quarter of FY 2009 has eclipsed total FY 2008 net marketable borrowing.
Net borrowing from coupons has increased versus bills

Net Coupons (w/ TIPs) Issued
FY 2004-2009

Net Weekly Bills Issued
FY 2004-2009
For a seventh consecutive quarter, net nonmarketable issuance was negative, led by continued weakness in net issuance of State and Local Government Series Securities.

Savings Bonds have experienced net outflows for twenty-one consecutive quarters.

Nominal coupon issuance continues to trend higher.

Note: Data are a 4-quarter rolling average through March 31, 2009. Excludes CMB's.
The rate of growth in par outstanding TIPS has moderated.

Nominal coupon issuance has increased in response to fiscal needs.
Assumptions used in the next 3 charts:

- Future residual financing needs are spread proportionally across auctioned securities and are derived from hypothetical initial coupon auction sizes, which are based on announced coupon amounts as of April 17, 2009 and assume the outstanding level of weekly bills on March 31, 2009.
- Projections exclude cash management bills.

Using the above assumptions, over the next 10 years:

- Average maturity of total outstanding and average maturity of issuance settle to about 59 and 67 months, respectively.
- The percent of debt with 3 years or less to maturity stabilizes at 56 percent.
Average maturity of marketable debt outstanding is projected to rise from recent lows.

If future financing needs are spread proportionally, current issuance patterns would lead to a steadily increasing share of medium to longer-term debt.
If future financing needs are spread proportionally, short-term debt as a percent of the overall portfolio is projected to fall after leveling off in the first two quarters of FY 2009.

Maturing 2-year, 3-year and 5-year notes lead to increased near- and medium-term financing needs.
Economic and credit market conditions continue to add uncertainty to borrowing requirements.

Volatility in revenues, outlays and reduced non-marketable debt issuance could also lead to increased near-term marketable financing needs.
State and Local Government Series (SLGS) issuance remains at subdued levels.

SLGS net pay downs continue unabated, marking the seventh consecutive quarterly net outflow.
The decline in corporate tax receipts is similar to that of 2002. Such declines generally precede lower growth in individual tax receipts.

Treasury repo market fails are returning to more typical levels.
Office of Debt Management

Primary dealers currently estimate a FY 2009 deficit of over $1.7 trillion, in line with recent government projections.

Fiscal deficit projections remain volatile.

### FY 09 Deficit Estimates

<table>
<thead>
<tr>
<th></th>
<th>Primary Dealers*</th>
<th>CBO</th>
<th>OMB</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current:</strong></td>
<td>1745</td>
<td>1667</td>
<td>1752</td>
</tr>
<tr>
<td>Range based on average absolute forecast error**</td>
<td>1687-1803</td>
<td>1567-1767</td>
<td>1648-1856</td>
</tr>
<tr>
<td><strong>Estimates as of:</strong></td>
<td><strong>April 09</strong></td>
<td><strong>March 09</strong></td>
<td><strong>February 09</strong></td>
</tr>
</tbody>
</table>

**FY 2009 Marketable Borrowing Range***
- Primary Dealers reflect average estimate. Based on Primary Dealer feedback on April 23, 2009.
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### Comparing Deficit Estimates for FY 2009 since February 2008

- OMB is not expected to release the final FY 2010 Budget until May 2009.

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